

London in every land except France; while even American wealth failed in remittances consequent on the local absence of bills, of gold, and of vessels for its conveyance. The grave position of "accepting" houses (banks and financial firms) —and, sequently, of the continuance of our Import trade in which (by their acceptance of bills representative of goods) these firms form essential factors—is thus evident, since those houses would be unable to discharge such bills on maturity (except out of their own existing and diminished resources) by reason of the inability of the drawers, through the subsidence of the exchanges, to remit the requisite funds in discharge. A concise conspectus of the preceding facts will conduce to clearness of perception of the important contingency which now confronted us:

- (i) "accepting" houses (banks and mercantile and financial firms)—fundamental agents in our foreign trade—are those who, for a commission, accept bills of exchange drawn upon London. Their acceptance is sought, since their credit generally is superior to that of importing British merchants (these prominent houses being more intimately known abroad, and their names upon a bill securing its higher status with a prompter sale and a better price),
- (ii) These acceptances, of course, render those houses themselves responsible for payment when the bills mature; (iii) as regards the acceptance of bills representative of goods shipped to England, the sale of those goods will satisfy the claims since the proceeds exist in England: but (iv) in respect of acceptances undertaken against cargoes passing solely between two foreign countries and purely finance bills where no shipments of commodities whatever are involved, the "accepting" houses must depend upon their foreign customers remitting funds before the bills fall due; when, then, (v) —(bills on England purchasable abroad for settlement of debts in England being non-existent owing to the world being liable to England, and not England to the world) —the mechanism of exchange was fractured by the disappearance abroad of

bills upon London, which, if procurable (being there bought and forwarded to England) would have supplied these funds, it was soundly apprehended that some of the "accepting" houses would fail and their failure entail a